

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4729-02
Bill No.: HB 1287
Subject: Veterans; Gambling
Type: Original
Date: January 23, 2012

Bill Summary: This proposal creates the Missouri Veterans Fund within the Missouri Gaming Commission to accept certain donations by patrons of excursion gambling boats to support Missouri Veterans Homes.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Missouri Veterans*	Unknown	Unknown	Unknown
Total Estimated Net Effect on <u>Other</u> State Funds	Unknown	Unknown	Unknown

* Expected to exceed \$100,000

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on FTE	0	0	0

☒ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Missouri Gaming Commission (GAM)** assume this proposal would result in two sources of revenue for the “Missouri Veterans Fund”. One portion of these funds would be based on donations made by patrons. The amount of donated winnings is dependent on the generosity of the patrons. GAM does not have any reliable information to use to estimate the amount of donations which might be made. The amount of estimated donations is unknown.

GAM assumes the second source of funds would be from moneys and winning tickets not claimed or redeemed and winning tickets and funds found on the premises. GAM states this amount could be estimated by adding the dollar amount of unclaimed funds found on the property, the dollar amount of the unclaimed/abandoned jackpots, and the dollar amount of unredeemed ticket liability for the year.

GAM states the actual dollar values of the amounts for the calendar year 2011 are:

Dollar Amount of Unclaimed Funds = \$101,990

Dollar Amount of unclaimed/abandoned Jackpots = \$87,340

Dollar amount of the unredeemed ticket liability = \$1,341,271

GAM states the total for calendar year 2011 was \$1,530,601.

GAM states, unclaimed funds, abandoned jackpots, and unredeemed ticket liabilities are considered a contingent liability for each casino.

Oversight assumes the amount of donations, moneys from winning tickets not claimed or redeemed, and those found on the premises is unknown and could vary from year to year dependent upon the generosity of patrons, the amount of winning tickets not claimed or redeemed, and the amount of funds left on the premises.

Oversight assumes for fiscal note purposes an unknown fiscal impact to the Missouri Veterans fund, but expected to exceed \$100,000 based upon the dollar amounts provided by GAM for winning tickets not claimed or redeemed and winning tickets and funds found on the premises.

Officials at the **Missouri Veterans’ Commission** assume the fiscal impact is unknown as it would be dependent upon the number of donations received.

ASSUMPTION (Continued)

Officials at the **State Treasurer's Office (STO)** state that, unclaimed casino proceeds go to a dedicated fund in the state treasury and are considered unclaimed property. STO states, casinos forward unclaimed proceeds to unclaimed property after five years of being held as a contingent liability by the casino. Unclaimed property is held by STO indefinitely or until the rightful owner claims the property.

STO reported, the following unclaimed casino proceeds were transferred to unclaimed property by calendar year.

2011: \$175,646
2010: \$201,722
2009: \$87,920

Officials at the **Office of the State Auditor (SAU)** estimate that the required duties in relation to this proposal would require an additional 1 FTE in order to perform this annual audit at a cost of \$57,163 in FY2013, \$63,145 in FY 2014, and \$63,777 in FY 2015

Oversight assumes the SAU did not provide any documentation to support the need for an additional 1 FTE to perform the annual audit of the "Missouri Veterans Fund".

Oversight assumes the SAU already conducts regular audits of the "Missouri Veterans Fund".

Oversight assumes any audit resulting from this proposal could be absorbed by the SAU. If the SAU sees an increase in the number of audits required by this proposal or other proposals requiring audits, then the SAU may request additional funding through the normal appropriation process.

ASSUMPTION (Continued)

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials at the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
MISSOURI VETERANS FUND*			
<u>Revenue - Donations by Winning Casino Patrons</u>	Unknown	Unknown	Unknown
<u>Revenue - Unclaimed Winning Casino Tickets and Funds</u>	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT ON MISSOURI VETERANS FUND	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
* expected to exceed \$100,000			

FISCAL IMPACT - Local Government

FY 2013
(10 Mo.)

FY 2014

FY 2015

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill requires the Missouri Gaming Commission within the Department of Public Safety to develop rules within 120 days of the effective date of these provisions to allow patrons of excursion gambling boats to donate all or any portion of their winnings to the newly created Missouri Veterans Fund.

moneys otherwise appropriated to the commission. All moneys deposited into the fund must be used solely to support Missouri veterans homes.

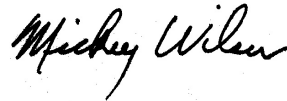
The bill requires the cashier to ask each patron who redeems a winning ticket or requests cash winnings if he or she would like to donate all or any portion of his or her winnings to the fund. Anyone wishing to donate must be issued a card to designate the amount to be donated. Any money or winning tickets which are not claimed or redeemed must be deemed donated winnings and must be deposited into the fund. All moneys deposited in the fund must be subject to appropriation but must not be considered general revenue and must not reduce the amount of

The State Auditor must conduct an annual audit of the fund and report the findings to the General Assembly, Governor, and Lieutenant Governor no later than 10 business days after its completion.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri Gaming Commission
Missouri Veterans' Commission
Joint Committee on Administrative Rules
Office of Secretary of State
State Treasurer's Office
Office of the State Auditor

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
January 23, 2012